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DEPARTMENT OF COMMERCE

International Trade Administration

(A-201-845)

Sugar from Mexico: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that sugar from Mexico is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation is January 1, 2013, through December 31, 2013. The estimated weighted-average dumping margins of sales at LTFV are shown in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination. We intend to issue the final determination 135 days after publication of this preliminary determination in the *Federal Register*.

DATES: Effective on (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: David Lindgren, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3870.

## SUPPLEMENTARY INFORMATION:

### Background

The Department published the notice of initiation of this investigation on April 24, 2014.<sup>1</sup> Pursuant to section 773(c)(1)(A) of the Act, the Department postponed this preliminary LTFV determination by a period of 50 days.<sup>2</sup>

### Scope of the Investigation

The product covered by this investigation is sugar from Mexico. For a full description of the scope of the investigation, *see* Appendix I to this notice.<sup>3</sup>

### Methodology

The Department conducted this investigation in accordance with section 731 of the Act. Export price (EP) has been calculated in accordance with section 772 of the Act. Normal value (NV) has been calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <https://iaaccess.trade.gov> and to all parties in the Department's Central Records Unit, located at room 7046 of the Department's main building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed at

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<sup>1</sup> *See Sugar From Mexico: Initiation of Antidumping Duty Investigation*, 79 FR 22795 (April 24, 2014).

<sup>2</sup> *See Sugar From Mexico: Postponement of Preliminary Determination of Antidumping Duty Investigation*, 79 FR 49497 (August 21, 2014).

<sup>3</sup> Interested parties filed comments and a clarification request regarding the scope of the investigation. For a complete discussion, *see* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Sugar from Mexico," dated concurrently with and hereby adopted by this notice (Preliminary Decision Memorandum).

<http://enforcement.trade.gov/frn/index.html>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Preliminary Determination

In accordance with section 733(d)(1)(A)(i) of the Act, the Department calculated weighted-average dumping margins for the following individually investigated exporters and producers of subject merchandise: (1) Fondo de Empresas Expropiadas del Sector Azucarero (FEESA)<sup>4</sup> and (2) Ingenio Tala S.A. de C.V. and certain affiliated companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group).<sup>5</sup> The Department preliminarily determines that the following weighted-average dumping margins exist for these individually investigated exporters and producers:

Exporter/Producer	Weighted-Average Dumping Margin
FEESA	39.54 percent
Ingenio Tala S.A. de C.V. and certain affiliated sugar mills of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group)	47.26 percent
All-Others	40.76 percent

Consistent with sections 733(d)(1)(A)(ii) and 735(c)(5) of the Act, the Department also calculated an estimated all-others rate for all exporters or producers not individually investigated. Section 735(c)(5)(A) of the Act provides that the estimated “all-others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Therefore, because the

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<sup>4</sup> FEESA consists of the following sugar mills: Fideicomiso Ingenio El Modelo, Fideicomiso Ingenio San Cristobal, Fideicomiso Ingenio Plan De San Luis, Fideicomiso Ingenio San Miguelito, Fideicomiso Ingenio La Providencia, Fideicomiso Ingenio Atencingo, Fideicomiso Ingenio Casasano, Fideicomiso Ingenio El Potrero, and Fideicomiso Ingenio Emiliano Zapata. *See id.*

<sup>5</sup> GAM Group consists of the following sugar mills: Ingenio Tala S.A. de C.V.; Ingenio El Dorado S.A. de C.V.; and Ingenio Lazaro Cardenas S.A. de C.V. *See* Preliminary Decision Memorandum.

weighted-average dumping margins for FEESA and the GAM Group are not zero, *de minimis*, or determined entirely under section 776 of the Act, the Department has estimated the “all-others” rate in this preliminary determination by weight-averaging the weighted-average dumping margins calculated for FEESA and the GAM Group.

#### Verification

As provided in section 782(i)(1) of the Act, the Department intends to verify the information submitted by FEESA and the GAM Group prior to making a final determination in this investigation.

#### Disclosure and Public Comment

In accordance with 19 CFR 351.224(b), the Department intends to disclose the calculations performed in connection with this preliminary determination within five days of its public announcement. Interested parties may submit case and rebuttal briefs, as well as request a hearing.<sup>6</sup> For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, *see* the Preliminary Decision Memorandum.

#### Suspension of Liquidation

In accordance with section 733(d)(2)(A) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

Pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), we will instruct CBP to require a cash deposit<sup>7</sup> equal to the weighted-average amount by which NV exceeds EP, as

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<sup>6</sup> See 19 CFR 351.309(c)-(d), 19 CFR 351.310(c); *see also* 19 CFR 351.303 (for general filing requirements).

<sup>7</sup> See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

indicated in the chart above, as follows: (1) the rate for FEESA, when adjusted for export subsidies, is 39.36 percent; (2) the rate for the GAM Group, when adjusted for export subsidies, is 47.09 percent; (3) if the exporter is not a firm identified in this investigation, but the producer is, then the rate will be the rate established for the producer of the subject merchandise; (4) the rate for all other producers or exporters, when adjusted for export subsidies, will be 40.58 percent. These suspension of liquidation instructions will remain in effect until further notice.

#### Postponement of Final Determination and Extension of Provisional Measures

Pursuant to a request from FEESA and the GAM Group,<sup>8</sup> we are postponing the final determination. Accordingly, we intend to make our final determination no later than 135 days after the date of publication of this preliminary determination in the *Federal Register*, pursuant to section 735(a)(2)(A) of the Act.<sup>9</sup> Furthermore, FEESA and the GAM Group requested to extend the application of the provisional measures, as prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a six-month period.<sup>10</sup> The suspension of liquidation described above will be extended accordingly.<sup>11</sup>

#### U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the U.S. International Trade Commission (ITC) of our determination. For a discussion concerning the information that the Department will make available to the ITC and the statutory deadlines regarding a final determination to be issued by the ITC, *see* the Preliminary Decision Memorandum.

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<sup>8</sup> See Letter from FEESA and GAM Group, “Sugar from Mexico – *Request for Postponement of Final Determination*,” October 16, 2014.

<sup>9</sup> See also 19 CFR 351.210(b)(2)(ii) and (e)(1)-(2).

<sup>10</sup> See Letter from FEESA and GAM Group, “Sugar from Mexico – *Request for Postponement of Final Determination*,” October 16, 2014.

<sup>11</sup> See 19 CFR 351.210(b)(2)(ii) and (e)(2).

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

October 24, 2014  
Date

## Appendix I

### **Scope of the Investigation**

The product covered by this investigation is sugar derived from sugar cane or sugar beets. Sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked via their anomeric carbons. The molecular formula for sucrose is  $C_{12}H_{22}O_{11}$ , the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17)5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1, the InChI Key for sucrose is CZMRCDWAGMRECN-UGDNZRGBSA-N, the U.S. National Institutes of Health PubChem Compound Identifier (CID) for sucrose is 5988, and the Chemical Abstracts Service (CAS) Number of sucrose is 57-50-1.

Sugar within the scope of this investigation includes raw sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of less than 99.5 degrees) and *estandar* or standard sugar which is sometimes referred to as “high polarity” or “semi-refined” sugar (sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of 99.2 to 99.6 degrees). Sugar within the scope of this investigation includes refined sugar with a sucrose content by weight in a dry state that corresponds to a polarimeter reading of at least 99.9 degrees. Sugar within the scope of this investigation includes brown sugar, liquid sugar (sugar dissolved in water), organic raw sugar and organic refined sugar.

Inedible molasses is not within the scope of this investigation. Specialty sugars, *e.g.*, rock candy, fondant, sugar decorations, are not within the scope of this investigation. Processed food products that contain sugar, *e.g.*, beverages, candy, cereals, are not within the scope of this investigation.

Merchandise covered by this investigation is typically imported under the following headings of the Harmonized Tariff Schedule of the United States (HTSUS): 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1025, 1701.99.1050, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this investigation is dispositive.

## Appendix II

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Postponement of Final Determination and Extension of Provisional Measures
- V. Scope of the Investigation
- VI. Scope Comments
- VII. Respondent Selection
- VIII. Affiliation and Collapsing
  - A. Legal Standard
  - B. FEESA
  - C. The GAM Group
- IX. Discussion of Methodology
  - A. Fair Value Comparisons
  - B. Product Comparisons
  - C. Determination of Comparison Method
  - D. Export Price
  - E. Normal Value
  - F. Date of Sale
  - G. Currency Conversion
- X. U.S. International Trade Commission Notification
- XI. Disclosure and Public Comment
- XII. Verification
- XIII. Conclusion